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REHIRED ANNUITANTS

When a recent computer run revealed that there were 78 rehired annuitants classified as permanent full-time employees, Plans Staff considered the possibility that staff employees were retiring early, gaining the advantage of cost-of-living increases for their annuities, and continuing employment with the Agency. We find that this does not seem to be the case--64 of the 78 are military retirees, although we do not know how many "temporary" rehired annuitants will be reemployed next year and then count against ceiling. Though the Civil Service Commission has a policy which terminates the annuity for rehired annuitants whose retirement was based on discontinued service, no such restriction pertains to CIARDS.

There are 78 full-time permanent rehired annuitants. Only 14 are former Agency employees and all are employed in contract status. The remaining 64 are military retirees; 20 are contract and 44 are staff.

There are nine (9) supergrade employees; only one is a former Agency employee. Five of the nine are in the DCI area. The largest number of annuitants are at the GS-15 (24) and GS-14 (14) levels.

The 78 employees are dispersed throughout the Agency as follows: DCI-9, DDA-10, DDI-8, DDO-21, DDS&T-30. The DDO has the highest number (9) of former Agency employees. The DDS&T has the highest number (25) of annuitants in staff positions, which may indicate that the annuitants are expected to work for a longer term than would be expected under a contractual relationship.

We reviewed the on-duty strength statistics on rehired annuitants to see how many are full-time permanent employees and to determine the impact on ceiling and accessions. The survey revealed that the impact on accessions under ceiling may not yet be readily identifiable under single ceiling reporting. Full-time contract employees who are hired for one year or less are not counted against ceiling. In practice, many are extended beyond the one-year term of the contract but they do not count until the extension is effective. To determine the impact on accessions, therefore, an office would have to evaluate the probability of extending those employees who are working under the initial one-year contract.

It should be noted that contains the "90% rule" and provides that contracts for civilian annuitants will be written for a term not to exceed one year. This discourages Agency retirees from seeking reemployment. However, when they are rehired, the one-year term causes the contract to be reviewed at least annually to ensure that the services of the annuitant are still needed.

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There is another control found in FPM Supplement 990-1, Part 831, which affects those who retired under discontinued service: "When an annuitant whose annuity is based on involuntary separation for reasons other than age or misconduct or delinquency, becomes employed after September 30, 1956, in an appointive or elective position wherein he is not excluded from retirement coverage by statute or section 831.201, the Commission shall terminate his annuity from the date of employment." Under the CIARDS the annuity of a retiree who is reemployed is not terminated. However, [] provides that "Any annuitant who has retired under the System and is reemployed in Federal Government service . . . shall be entitled to receive his annuity payable under the System, but there shall be deducted from his salary a sum equal to the annuity allocable to the period of actual employment."

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